University of Phoenix Today

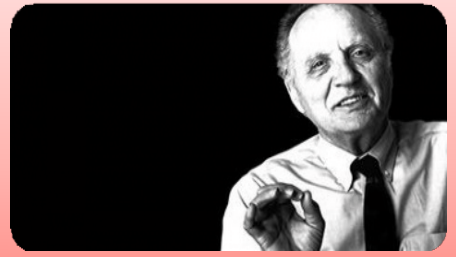
The University of Phoenix has not authorized any other person to provide you with any information or to make any representations other than those contained in this financial disclosure. Forward-looking statements presented herein are neither historical facts nor assurances of future performance. Instead, they are based only on our current beliefs, expectations and assumptions regarding the future of our business, future plans and strategies, projections, anticipated events and trends, the economy and other future conditions. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict and many of which are outside of our control. Our actual results and financial condition may differ materially from those indicated in the forward-looking statements. We take no responsibility for and can provide no assurance as to the reliability of, any other information that others may provide you. You should assume that the information appearing in this document is accurate only as of the date of this disclosure, regardless of the time of delivery. Our business, financial condition, results of operations and prospects may have changed since the date of this disclosure.

Almost 50 Years of Educating Adult Learners

We have always served the underserved

- More than 50% of our students report as minority
- 60% are first generation college students
- Our students average age is 38, with 93% older than 23 years old
- 71% of students are female
- 63% care for dependents at home
- And almost 80% are employed while pursuing their degree with the University of Phoenix

Source: FY22 Academic Annual Report



We are a pioneer in online education for adults

- Since 1978, we have held continuous accreditation from The Higher Learning Commission
- We have a range of programs aligned to today's careers, from short course programs to doctoral degrees
- Mix of traditional faculty-led, competency-based and self-paced formats
- Student experience optimized for adult learners after more than ***47 years*** of continuous refinement and innovation

We are refocused on our founding mission

- We became a privately-owned institution in 2017 and under new leadership refocused on our founding mission of serving adult learners. New leadership divested/sold several subsidiaries
- Since 2017, all key operational and academic functions such as curriculum design, student support services and recruitment report directly to the University's Office of the President, and there are no longer any other subsidiaries competing for resources and focus

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Realignment of Strategic Direction Since 2017

Student Outcomes & Career Preparation

- With a sharp focus on improving student outcomes and career preparation, we accelerated efforts to exit non-core programs and significantly streamlined our portfolio of academic programs.
- 95%+ reduction in associate enrollments and recommitment to partnering with community colleges
- Closed all but one ground campus to entirely focus on an online delivery model, driven by student preference

Strengthened Career-Focused Academic Offerings

- Implemented technology-enhanced courses that employ adaptive learning diagnostics and introduced the *Phoenix Success Series* to increase student preparedness and readiness
- Introduced new competency-based formats that help students to save time and money
- Aligned 100% of curriculum to career-relevant skills to meet both student and employer needs

Investment in Student Support Services

- Built industry leading student support services and technology systems to increase the academic readiness of incoming students and improve student retention

Commitment to Responsible Marketing

- Refined our marketing operations including reduction of inefficient marketing spend across all channels (e.g., severing ties with third-party affiliate lead aggregators, ending arbitration agreements, discontinuing the naming rights to the Arizona Cardinals' football stadium, etc.)

Improved Operational Efficiency

- Successfully executed **on $90M in overhead cost savings** since 2017 by rationalizing operating structure and decommissioning legacy technology systems.
- In the process we introduced a digital-first technology platform that will support further process automation and self-service – improving student outcomes

Experienced Management Team

- Brought on several new, highly-experienced leaders to help spearhead our transformation, and made senior hires across key business functions including academics, finance, information technology, and marketing
- Supported by a mission-driven university team of over 3,000 staff with an average tenure of 11 years, and an 82% engagement score — 8% above the national benchmark

2016	2022
YOY New Degreed Enrollment *-36%*	***YOY New Degreed Enrollment Growth*** *8%*
Ground Campuses *130+*	**Ground Campuses** *1*
Online Enrollment *83%*	**Online Enrollment** *99%*
Retention Rates *Bachelors: 64%* *Masters: 69%*	**Retention Rates** *Bachelors: 74%* *Masters: 76%*
On-Track Graduation Rate *42%*	**On-Track Graduation Rate** *53%*
Student Net Promoter Score *59*	**Student Net Promoter Score** *73*
Cohort Default Rate *13.3%* *(vs. 11.3% average for state universities)*	**Cohort Default Rate** *2.6%* *(vs. 2.3% average for state universities)*

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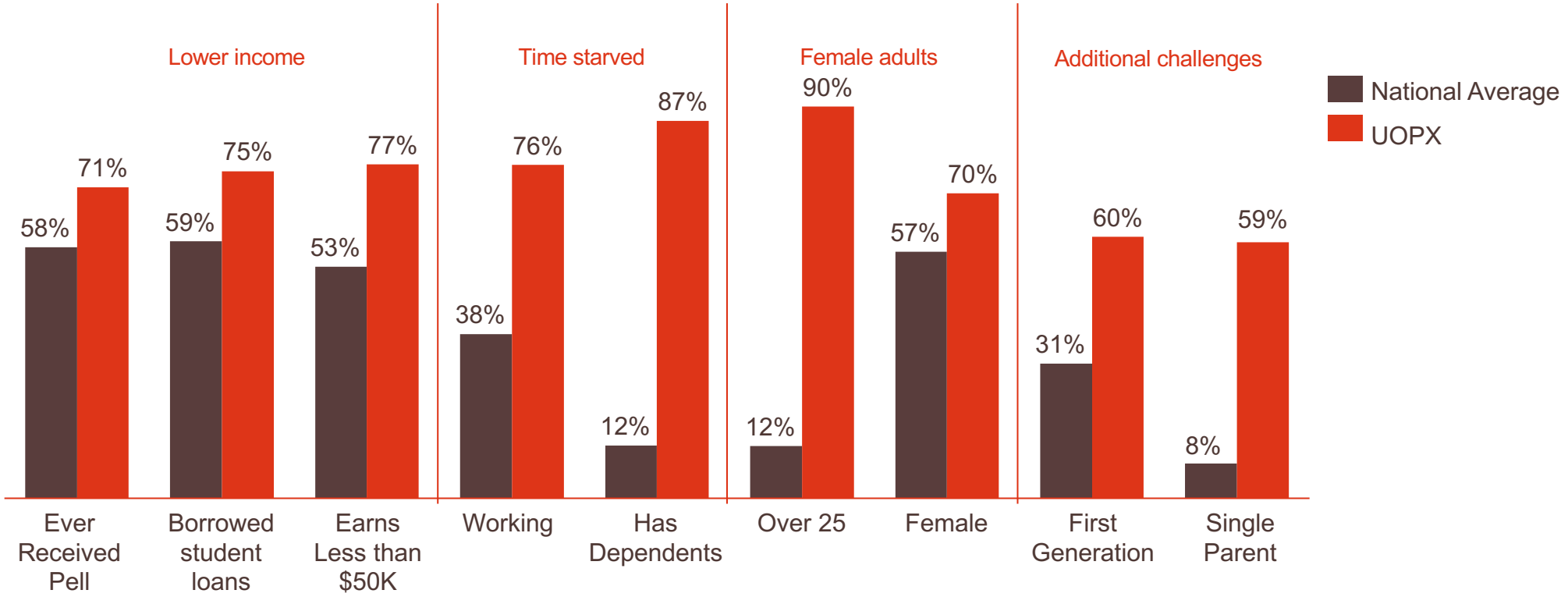
Our Students Are Juggling Many Responsibilities...

The typical University of Phoenix (UOPX) student is older (average age is 38), working full time, with dependents

Distribution of Students by Characteristics
Beginning Post-Secondary (BPS) First Time Students 2012 vs UOPX FY2022

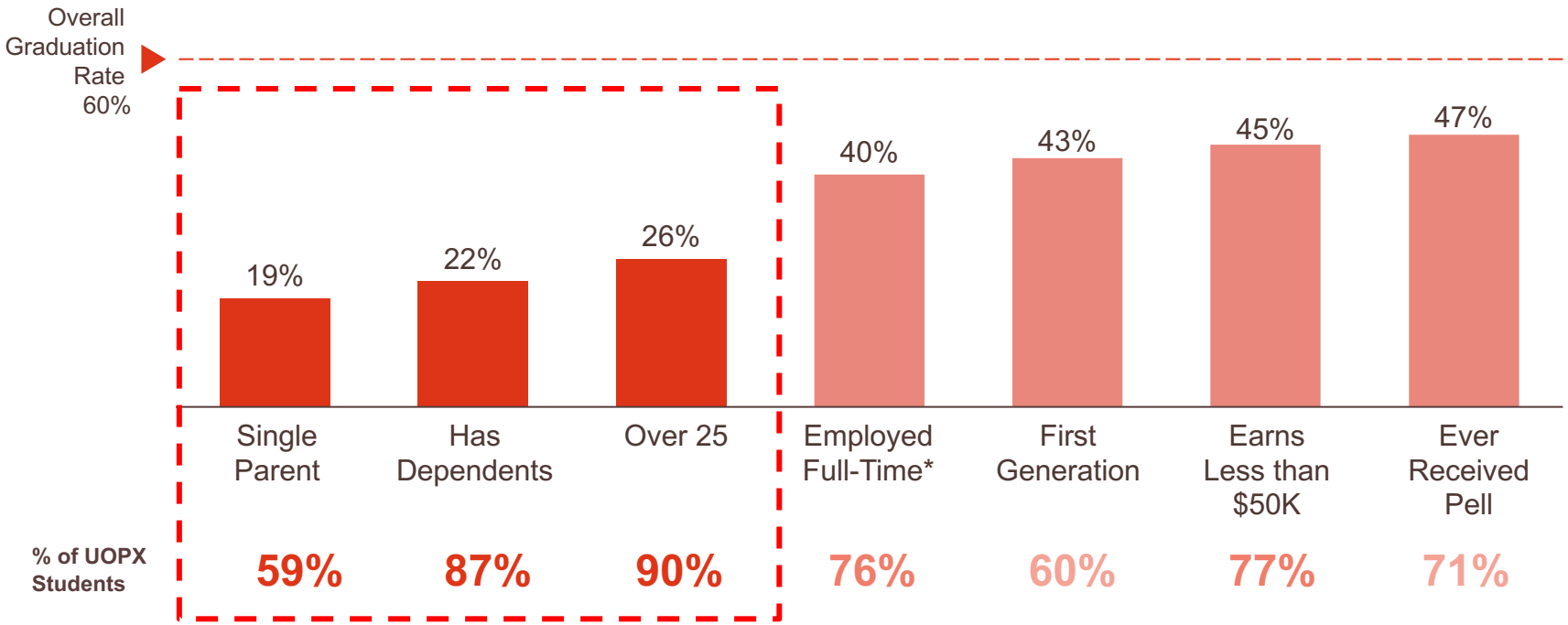


∆ Delta	**+14%**	**+16%**	**+23%**	**+39%**	**+74%**	**+78%**	**+13%**	**+29%**	**+51%**

Source: U.S. Department of Education, National Center for Education Statistics, Beginning Postsecondary Students: 2012/2017 (BPS).
Note about BPS data: Working defined as working at least 20 hours per week and not on campus; borrowed student loans between 2012 and 2017; over 25 is closer to 25% from IPEDS data
Notes about UOPX data: UOPX working status is based on a Y/N question from student's most recently submitted admissions application
UOPX internal data; Student Demographic and Self-Service Power BI

… and Have Risk Factors That Can Negatively Impact Progression, Retention and Graduation Rates…

6-Year Graduation Rates for All First-Time Post-Secondary Students pursuing Bachelor's
2011/12 Cohort (BPS 2012/2017 Data)



On average University of Phoenix undergraduate students each have ~3 risk factors

Source: U.S. Department of Education, National Center for Education Statistics, Beginning Postsecondary Students: 2012/2017 (BPS); internal UOPX data; UOPX analysis

*Defined as students who worked more than 35 hours based on month-by-month enrollment and employment history information while enrolled in school

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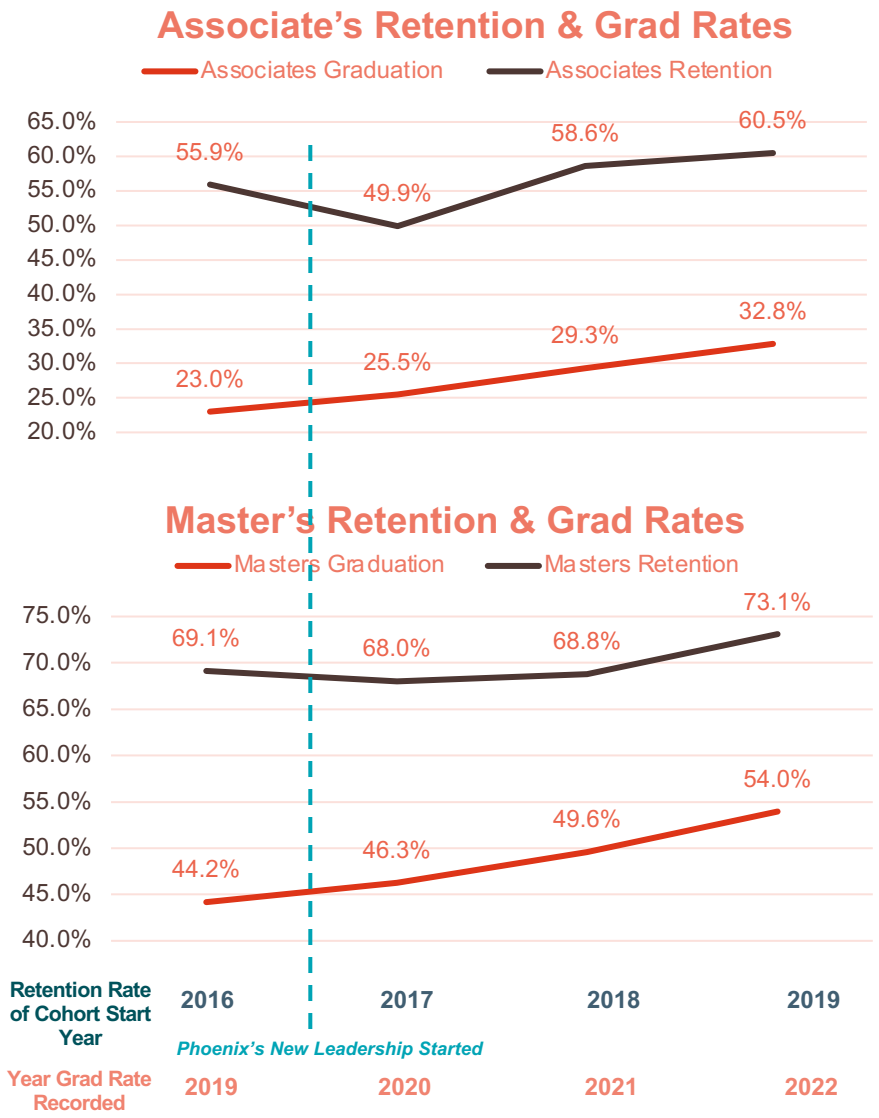
Our Student-Centric Approaches Are Improving Near-Term Grad Rates

Student-Centric Approaches	
Academic Counselors	*Help students develop personalized academic plans, and partner with faculty to coordinate early interventions to help students succeed*
Centers for Writing & Mathematics Excellence	*Offers tutoring with live personnel, workshops, videos, and tutorials*
Life Resource Center	*Offers clinical counseling services and life coaching covering time management and health-related topics*
University Library	*Supports users with reference consultations, interlibrary loans, and document retrieval*
Predictive Models	*Uses behavioral data to guide counselors on interventions*
Interactive Videos	*Faculty can provide direct instruction within the video driving higher engagement and more active learning*
Data-Driven Course Redesign	*New real world scenario approaches to mathematics that make transition to college math easier for students*

Associate's and Master's grad rates, which take ~3 years to impact, given a student's time to completion, have exhibited a proven track record of improvement since 2017



Definitions: Institutional Grad Rate is for students that completed a program within 150 percent of the standard length of their degree, masters includes CBE students, the standard length is two years for associates and masters
Institutional Retention Rate: The percentage of students that started a program in the academic year (July 1 to June 30 of the listed year) and attended 4 courses in the amount of time allotted for 5 courses for their degree level, excludes orientation, portfolio and Risk-free period only courses

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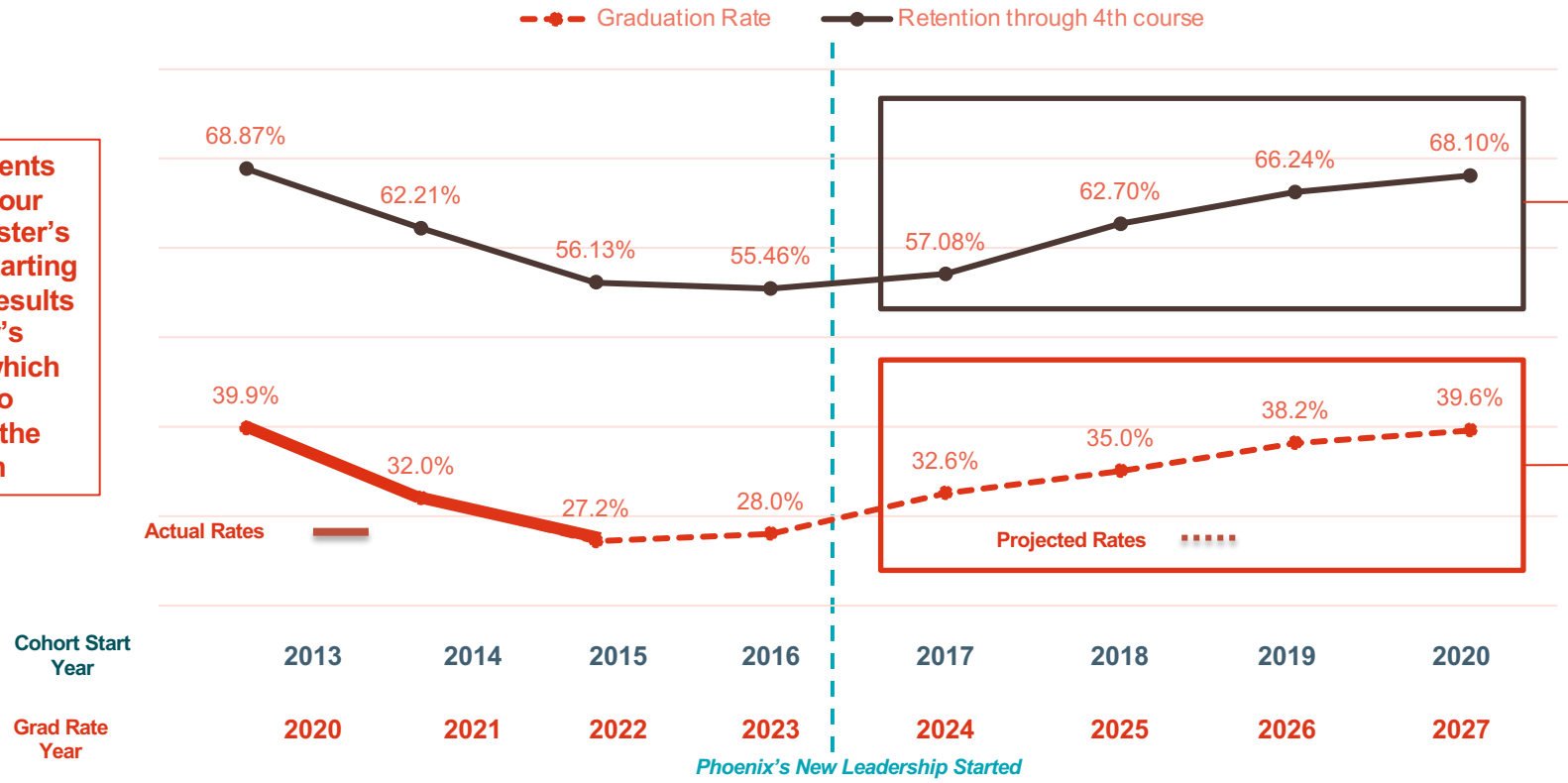
These Policies Are Also Projected to Increase Grad Rates for Our Bachelor's Programs

Strong Retention Improvements Will Lead to Healthy Graduation Rate Growth

Retention and Graduation rates for Bachelors



Like the improvements experienced with our Associate's and Master's grad rates, we are starting to see the positive results for our Bachelor's graduation rates, which take 6-7 years to materialize given the program length

These retention improvements have already occurred…

…giving us confidence in projected graduation rate improvements

Definitions: Institutional Grad Rate is for students that completed a program within 150 percent of the standard length of their degree where the standard length is 4 years for bachelors
Institutional Retention Rate: The percentage of students that started a program in the academic year (July 1 to June 30 of the listed year) and attended 4 courses in the amount of time allotted for 5 courses for their degree level, excluding orientation, portfolio and risk-free period-only courses.
Graduation Forecasts are derived from logistic regression models that use correlations between early indicators and grad rates in prior years to forecast the impact of those same variables in future grad rate years; variables include; academic, demographic, financial, and university attributes e.g. , 4th-course pass rates, employment status, average gross income, and college department

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Practitioner Faculty Experienced in Their Professions and in Teaching at University of Phoenix

100% are active in their respective professional instruction

56.1% female instructors

100% hold a master's degree or higher

27 average class size

29 years average of professional experience

2,727 total faculty members

15.3 years average of teaching experience with UOPX

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Student-Centric Processes Help Students Succeed

Academic and Career Support

- **300+** academic counselors supporting student success
- **400+** enrollment representatives with experience and codified practices enrolling working adult students
- **400+** staff assisting with student financial assistance
- Specially trained **military advisors** to support students
- **Differentiated "Career Services for Life"** services

Responsible Marketing

- **17 million+** annual unique visitors to our website
- Marketing team **creates engaging, creative and accurate content** for prospective students
- **Advanced analytics tools** that dramatically decrease the average cost to enroll students
- **Marketing efficiencies** have enabled us to stabilize and increase new enrollments despite decreasing marketing spend, which has been reinvested to support students

Compliance

- **99** full-time professionals solely dedicated to regulatory compliance, student complaint resolutions and quality control
- **Industry-leading compliance measures** often recognized by regulators and shared with other universities as best practices

Data Analytics

- One of the **world's largest digital repositories** of data **on student behaviors**, which is used to inform our data-driven approach to improving student outcome
- We generate and analyze **21 terabytes** of data annually derived from:
  - **1,500** unique course offerings
  - **3 million** annual assignment submissions
  - **30 million** discussion thread posts
  - **18 million** live student servicing interactions
- **Developed several proprietary, advanced analytics models** using this substantial dataset to continuously improve all aspects of the University

Technology

- **~$650 million** invested in technology initiatives in the past five years to improve student satisfaction and success
- **250+** person technology team utilizing a scaled, agile framework to rapidly identify challenges and continually develop technology solutions
- Examples of **recent solutions** implemented:
  - **Automated course scheduling**, work routing, and robotic process automation for administrative processes
  - **AI-powered text and chat bots** to assist students
  - Sophisticated, tech-enabled **monitoring system** to review student interactions and ensure the highest ethical standards
- **With the time saved through automated processes,** each of our counselors can dedicate an additional eight hours per week to personalized student support

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Well Positioned to Capitalize on the Accelerating Demand for Online Higher Ed

Universities with the scale and infrastructure to deliver affordable in-demand programs and leverage advanced analytics to enhance student outcomes will win

Large Growing Market

Online Demand

In 2021, 60% of all college students took some online classes *(Forbes, 2023)*

The landscape... is changing in favor of more remote learning *(The Chronicle of Higher Education, 2021)*

Adult Learners

Global adult education market to grow 9.1% by 2030 *(MarketWatch, 2023)*

More than 39 Million Americans with some college or no credential *(National Student Clearinghouse, 2022)*

Scaled Leader

National Reach

Scaled, high-quality programs

More than 1M alumni

Broad, geographic reach

Extensive employer relationships

Innovation

Large-scale technology infrastructure

Efficient delivery model

Advanced analytics

Operating efficiencies

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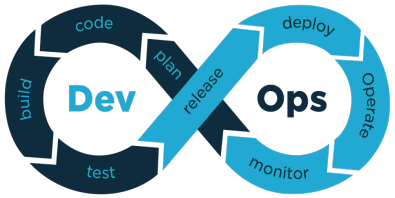
An EdTech Leader for 40+ Years

Highly-scalable EdTech platform capable of quickly developing and deploying innovative and readily extensible solutions

Centralized, Differentiated Capability

- Centralized to eliminate silos
- Over 35 empowered agile product teams
- Agility at scale enables rapid development
- Extensive discovery with students and prospects
- Differentiated digital experiences where they matter

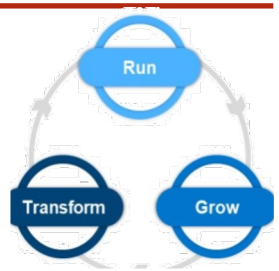


Digital Ready Infrastructure

- Cloud native platforms for nimble, cost-effective delivery
- Best in class SaaS platforms for core capabilities
- Multi-petabyte data lake to enable machine learning and AI
- Robotic process automation for operational efficiency
- Hardening “anti-fragile” systems for resiliency

Driving Efficient Delivery

- Continually reduce 'keep the lights on' activities
- AI, ML and automation drive broader efficiency
- Open source, cost effective platforms
- Heavily automated work prioritization and digital contact strategies



Since FY17, University of Phoenix has reduced annual technology spend by 47%— *while delivering greater capabilities* by eliminating legacy technical equipment and systems, and migrating to a cloud-native platform

From FY17-FY22

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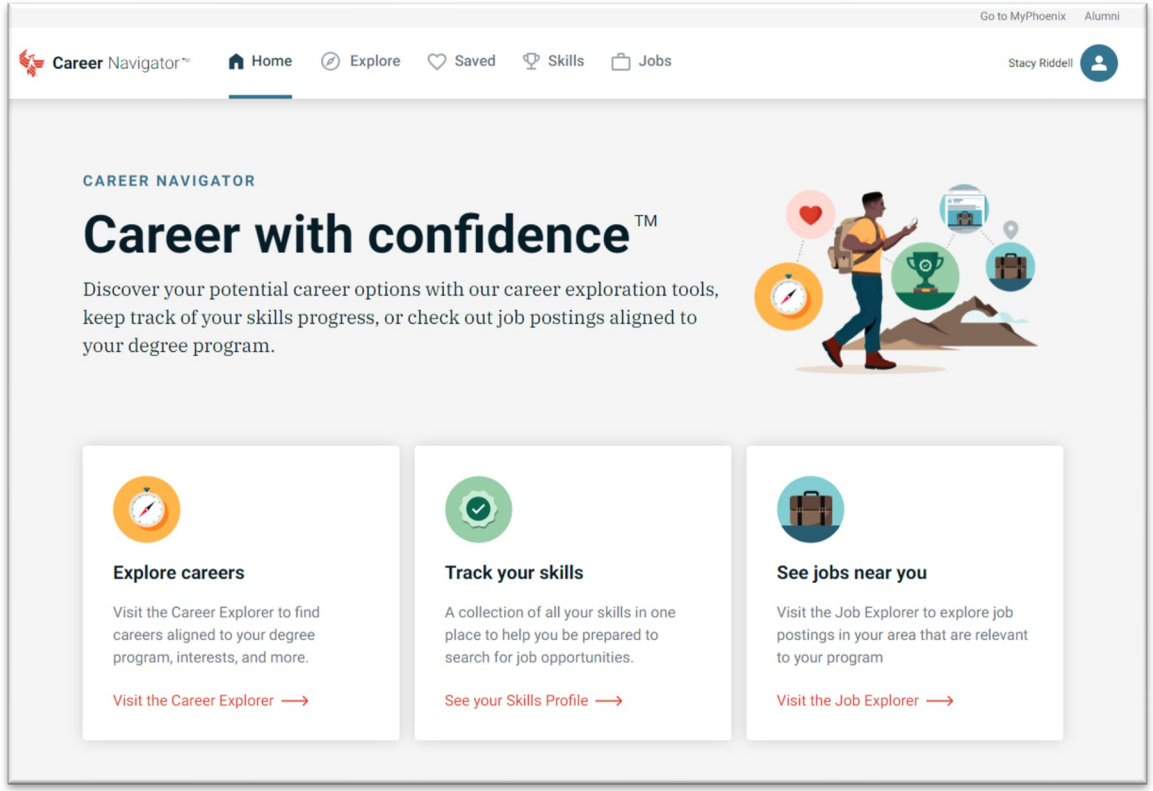
End-to-End Career Focus Meets Employer and Student Needs

Career Navigator Is Students' Career Resource for Life



Programs Mapped to In-demand Skills

100% of undergrad and master's degree programs now open for new enrollment are skills-mapped

Individualized skills dashboard

….with a dashboard to show skills attainment (**Skills Profile**)

Displayable digital badges upon skill achievement

300k+ badges issued, many shared via LinkedIn; Credly partnership helps students self-promote even before graduating

Digital Career Counseling

Students identify career goals and receive recommendations of jobs where they are a strong fit – Personalized "**Career Explorer**"(1) and "**Job Explorer** (2)"

Upskilling with Skills-aligned Short Courses

Self-paced upskilling courses available in **high-demand fields** like tech & marketing – allowing alums to stay up to date on skills

Creating Exposure

Coming Soon: **Career Hub** from which employers can directly target best fit students

(1) 1,938 Students have a saved Career goal, of those 27% applied for a job via Job Explorer.
(2) 20,368 unique users the past 90 days of which 2,553 users (12.5%) clicked Apply.

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Quality Demonstrated Through Accreditations and Recognitions

Institutional Accreditation

Accredited by the Higher Learning Commission since 1978 (hlccommission.org)

Received a 10-year Reaffirmation of Accreditation in 2022-2023 with the next reaffirmation scheduled for fall 2032

Programmatic Accreditation

Programmatic accreditation represents an additional level of external peer evaluation and quality assurance that applies to specific programs

Some programs carry specialized programmatic accreditation to ensure students meet the necessary prerequisites for jobs that correlate with their degree (nursing, teaching, counseling)

Online Education Recognition

In 2021, UPCEA recognized University of Phoenix for meeting its *Hallmarks of Excellence in Online Leadership Review* program, which demonstrates consistent excellence in online learning

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Four Elements in a Personal Career Plan

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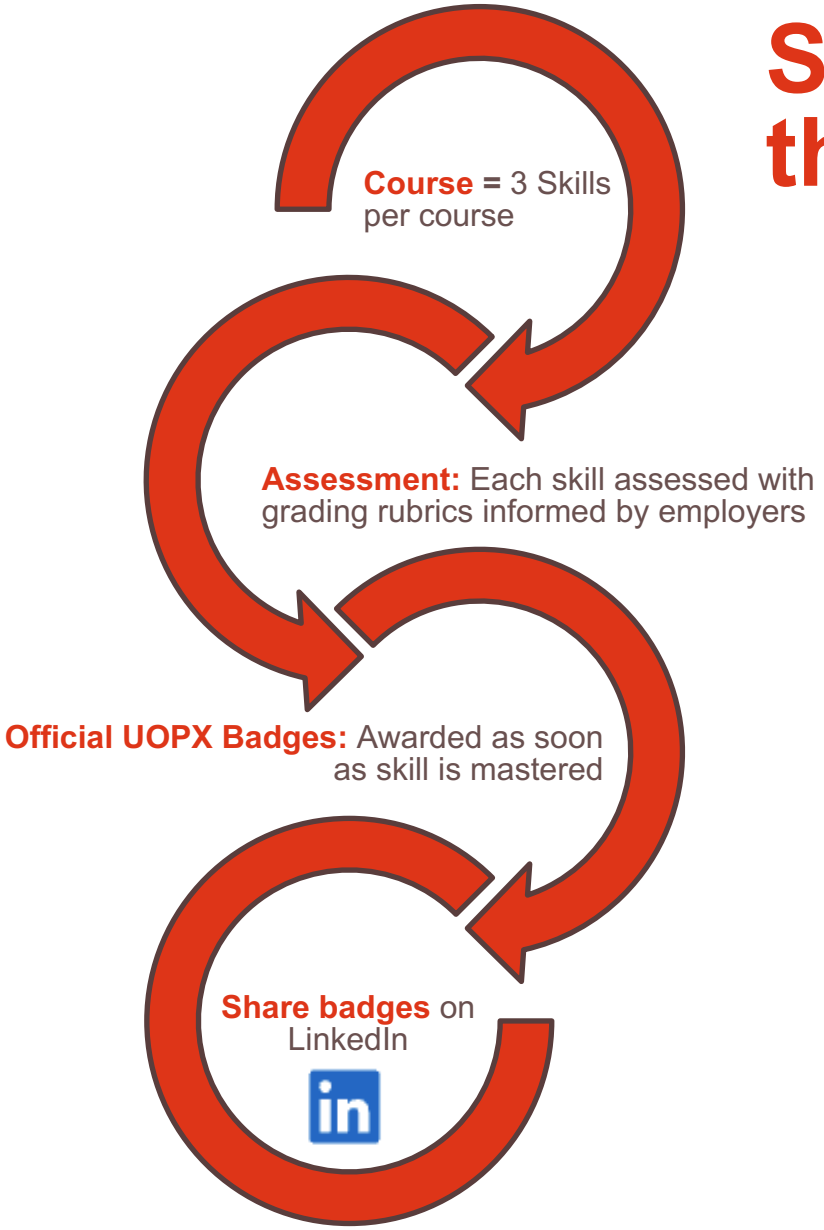
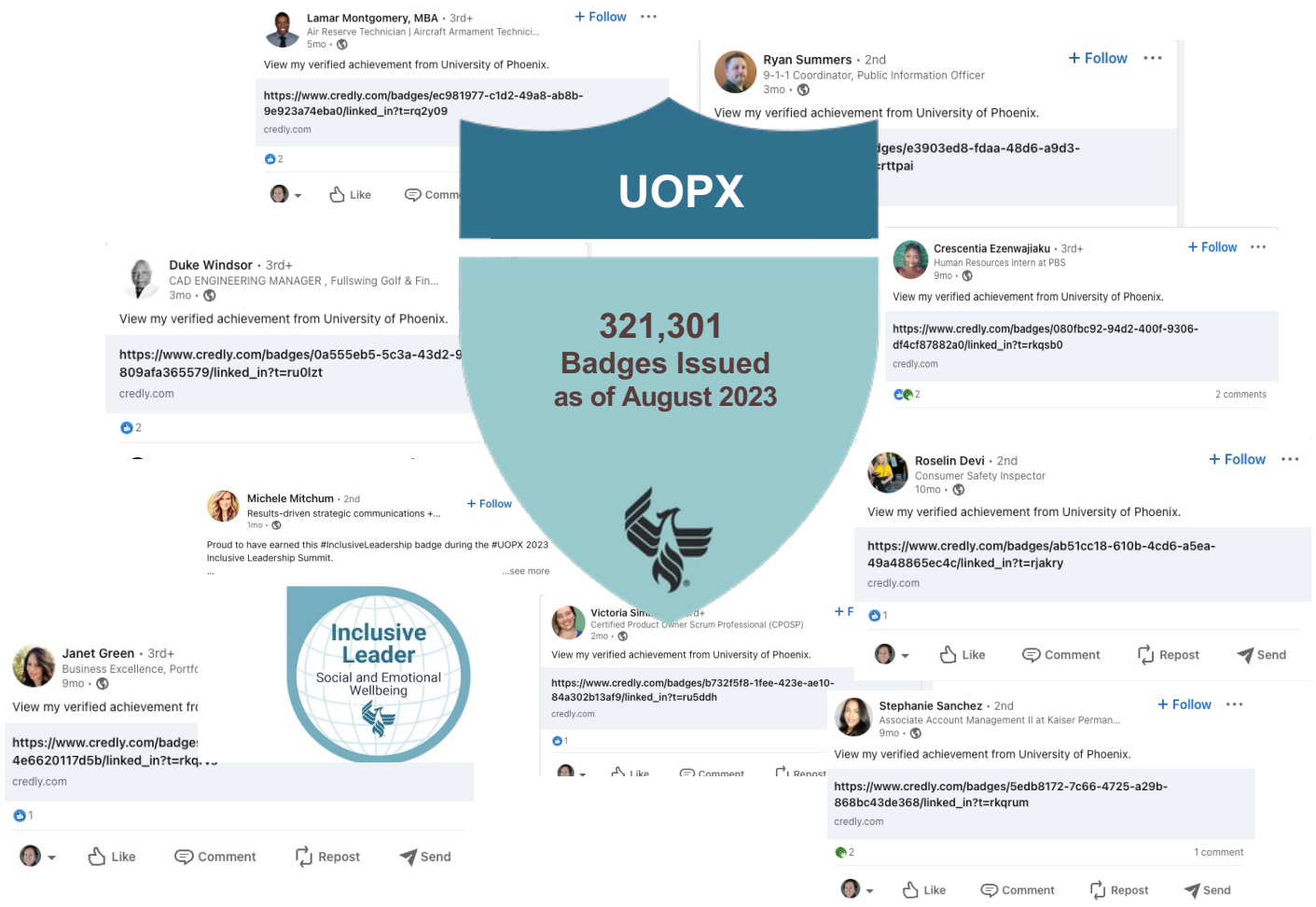
Skills-Aligned Curriculum Changes the Value Proposition





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Employer Alliances Have Created New Opportunities

Provide Educational Services to Robust Network of Companies

Strategic Employer Alliances

~1,600

Eligible Employees

40M

Offerings Can Include:

Skills Intelligence
Upskilling Content
Learn & Earn Degrees
Tuition Capped Degrees

Benefits Can Include:

Upskilling & Reskilling
Performance Improvement
Multi-level Hiring
Retention

Generating Strong B2B Enrollment Growth

B2B New Degreed Enrollment

12,238

Total, FY2023 year-to-date May
(**27% of total** New Degreed Enrollments)

B2B New Degreed Enrollment

+44.8%

vs. same period, FY2022

Total B2B Degreed Enrollment

17,315

Total, FY2023 year-to-date May
(**23% of Total** Degreed Enrollment)

Total B2B Degreed Enrollment

+33.6%

vs. same period, FY2022

Representative Employer Alliances:

ManpowerGroup™ | Bright Horizons™ | KAISER PERMANENTE® | T-Mobile®

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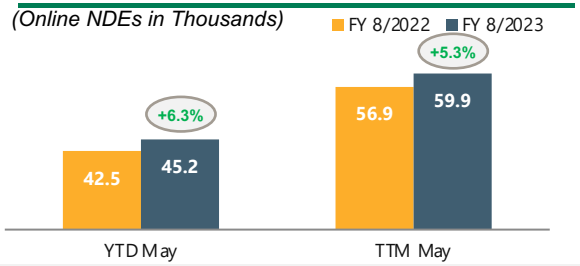
Efforts Have Led to Enrollment Growth, Fiscal Stability

Continued Growth of New Student Enrollments…

New Degreed Enrollment (Online)

(Online NDEs in Thousands)

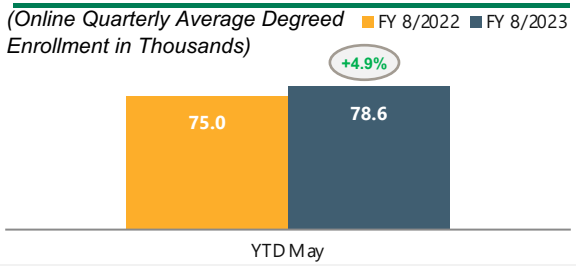


- Online New Degreed Enrollment +6.3% growth year to date and +5.3% over the last twelve months
- Driven by a +45% growth year to date in B2B New Degreed Enrollment

…Is Flowing Through to Total Enrollment

Quarterly Average Degreed Enrollment (Online)

(Online Quarterly Average Degreed Enrollment in Thousands)

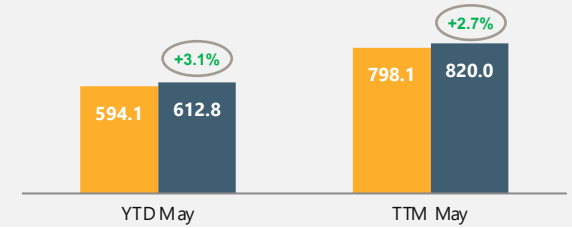


- Online Quarterly Average Degreed Enrollment increased by 3,632 students, +4.9% May 2023 year to date versus May 2022
- This compares to overall nationwide enrollment declines of -3.1% in Fall 2022 and -0.5% in Spring 2023 Semesters

Driving Sustained Growth in Total Revenue…

Total Revenue

(Revenue in Millions of USD)

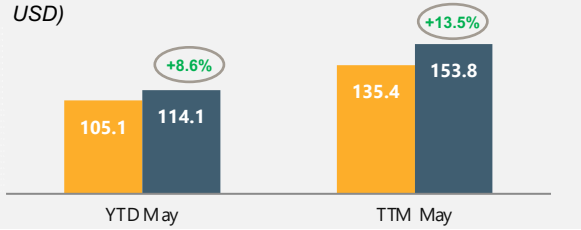


- Total Revenue +3.1% year to date, with Total Online Revenue +4.2% as ground operations continue through teach out

…And Continued EBITDA Expansion

Total Adjusted EBITDA

(Adjusted EBITDA in Millions of USD)

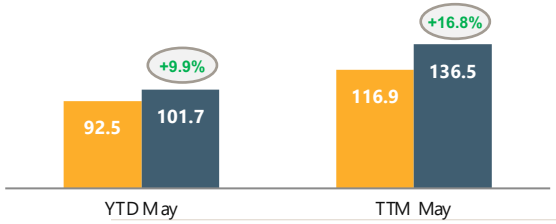


- Adjusted EBITDA +8.6% year to date and +13.5% over last twelve months

Leading to Robust Cash Generation…

Total Free Cash Flow (Adjusted EBITDA *minus* CapEx)

(FCF in Millions of USD)

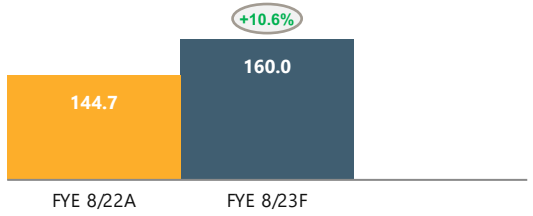


- Free Cash Flow, calculated as Adjusted EBITDA minus CapEx, +9.9% year to date and +16.8% over trailing twelve months as efficient operations reduce expected CapEx

…And Full Confidence in the Future Forecast

FYE 8/2023F Adjusted EBITDA

(Adjusted EBITDA in Millions of USD)



- Leading indicators through 9 months of Fiscal Year provide confidence in FYE 8/2023 full year forecast, with potential to exceed full year plan, and supports continued growth into FYE 8/2024

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Management Team Who Led the Transformation

Supported by a mission-driven university team of over 3,000 staff with an average tenure of 11 years, and an 82% engagement score — 8% above the national benchmark

Chris Lynne *President*
Appointed December 2022
- Previously Interim President and CFO at The University of Phoenix
- Formerly President & COO at HotChalk Education and Chief Financial & Operating Officer at Northcentral University

Raghu Krishnaiah *Chief Operating Officer*
Appointed October 2015
- Formerly at WGU, Kaplan
- 10+ years of experience in education

Steve Gross *Chief Marketing Officer*
Appointed August 2019
- Formerly CEO Calvert Education and executive at Pearson & Pepsi
- 10+ years of experience in education

John Woods *Chief Academic Officer*
Appointed January 2018
- Formerly at Education Corporation of America
- 22+ years of experience in education

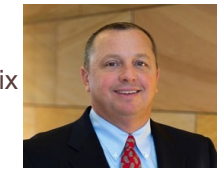
Blair Westblom *Chief Financial Officer*
Appointed January 2023
- Previously VP Financial Planning and Analysis at The University of Phoenix
- Formerly at Genentech, Stifel Financial
- 12+ years of experience in education

Jamie Smith *Chief Information Officer*
Appointed April 2018
- Formerly at ServiceMaster, Nissan, IBM, Price Waterhouse Coopers
- 3+ years of experience in education

Ruth Veloria *Chief Strategy & Customer Officer*
Appointed November 2017
- Formerly with Booz Allen, BCG, Charles Schwab
- 13+ years of experience in education

Cheryl Naumann *Chief HR Officer*
Appointed March 2013
- Formerly with AZ Diamondbacks and Phoenix Suns
- 13+ years of experience in education

Srini Medi *General Counsel*
Appointed June 2020
- Formerly Chief Legal Officer Bisk Education, Lead Counsel Kaplan University, and Associate GC (Transactions) Kaplan, Inc.
- 11+ years of experience in education



Eric Rizzo *SVP, Government Affairs*
Appointed November 2019
- Formerly at Mizuho Bank, Fifth Third Bancorp
- 25+ years of experience in government affairs, 3 in education

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Why University of Phoenix?

Higher Ed is facing critical challenges with far-reaching impact … and University of Idaho is not immune. The Idaho Legislature asked for 6 key interventions … and University of Phoenix can help!

Address Enrollment Cliff

*University of Phoenix has served **adult learners** via remote learning for almost 50 years; this will create **a new market** for University of Idaho*

Reduce Costs

*University of Phoenix delivers **highly efficient, low-cost** programming*

Help Rural Students

*University of Phoenix's online learning modality **creates greater access** to higher ed for Idaho's **rural and time-bound** students*

Degrees for In-Demand Jobs

*University of Phoenix's courses for new enrollment are **100% skills mapped** in undergraduate and master's degree programs... in nursing, healthcare, teaching, cybersecurity and business*

Innovate & Disrupt

*University of Phoenix will bring **best-in-class operations, compliance, recruitment, and persistence systems** to the University of Idaho and Idaho's education system*

Be More Efficient

*University of Phoenix's **affordable, online education** will help **University of Idaho scale in the online space quickly**, creating a **faster path to credentials** for Idahoans*

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APPENDIX

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Enabling the State of Idaho Education Agenda

Idaho Higher Education Agenda	How University of Phoenix Can Support
Efficiencies Cost Savings and Service	Phoenix knows how to operate highly scaled service processes
Restate the 60% Goal	The UOPX modalities provide access for Idahoans over 25 to get degrees while still working
Structural Change and system Improvement	UOPX has great credit transferability policy that could be leveraged
Guided Pathways (P- 20)	UOPX career guidance systems could be a model in Idaho high schools
Improved Certificate and Degree Completion	UOPX has a system of data-driven interventions and is a highly accessible option for those in rural areas
Statewide Digital Delivery System	UOPX digital footprint can provide lessons for a statewide digital system
Increased funding for Scholarships	Additional revenues can be used to fund scholarships
Outcomes- Based Funding model	Supporting retention and degree completion through online offerings
Adoption of the Governor's Workforce Development Taskforce	UOPX collaborates extensively with employers
Competency- Based System	UOPX has experience in competency-based course design and delivery
Partner with Industry (for workplace experiences)	UOPX collaborates extensively with employers
Workforce Training (count) towards Degree or Certificate Completion	UOPX has great prior learning credit policy that could be leveraged

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The Transformation of Apollo Education

Significantly simplified the Company's complex operating structure

Apollo Education Group (2016)
(Ticker: APOL)

Apollo Professional Development | BRIDGE School of Management | College for Financial Planning | MILPARK EDUCATION | The IRON YARD | University of Phoenix | WESTERN INTERNATIONAL UNIVERSITY | BPP | Career Partner | FAEL | Open Colleges | ULA | UNIACC

2017 Acquisition

Private Owners

University of Phoenix

Sole operating entity

- Invested in the university's transformation into a strategically smaller yet higher retaining institution

International Portfolio
Spun Off & Divested

VANTA EDUCATION | BPP | Open Colleges | FAEL | MILPARK EDUCATION | Career Partner | ULA

Non-Core
Divested or Taught Out

College for Financial Planning | UNIACC | The IRON YARD | WESTERN INTERNATIONAL UNIVERSITY | Apollo Professional Development | BRIDGE School of Management

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